PERSPECTIVES ON ORGANISATIONAL CHANGE

LESSONS FROM EDUCATION

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CHAPTER THREE

Implementing Change

A Personal View

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My perception that the Education Department needed to be restructured began with my experience as a parent, with children in both a state school and a private school, coupled with my understanding of the department's administration, which developed in my years as a local Member of the Parliament of Victoria. Unlike many people who also perceived the need for change, I was able to do something about it.

This chapter gives a personal view of how I, first as a backbencher and later as a Cabinet Minister, went about trying to initiate, develop and implement the major organisational restructuring that was required. I have tried to give some insight into the methods that we used, the problems we faced, and the assistance and support that we received.

A Backbencher Attempting Change

The Warrandyte electorate, which I represented in the Parliament of Victoria for nine years, was a growing electorate with a lot of new schools being established and developed. As a result, I spent a great deal of time assisting in the resolution of the problems of those schools, particularly with respect to the provision of facilities and issues related to the employment of teachers. I had also been associated with a number of teachers who had been employed by the Education Department, and the retelling of their experiences raised my consciousness of how strongly teachers felt about the administration of the Department and its inability to cope within its existing structures with the needs of either local communities or its own employees.

That understanding was nurtured by a growing relationship with Lindsay Thompson, the Minister of Education prior to May 1979. He was increasingly willing to effect changes in the light of the mass of problems that he had to handle during his record period as Minister. I believe that the evidence that a change was needed was overwhelming — in teacher unrest leading to strikes and in local community action in response, with the Department unable to provide appropriate resources of sufficient quality where and when they were needed. After Lindsay chose me to be Chairman of the Parliamentary Liberal Party Education Committee in 1976, we worked closely together in seeking to develop strategies to overcome these problems.

My thinking about the organisation came to a head when I was at the Australian Administrative Staff College at Mount Eliza in 1977, undertaking the two-month Advanced Management Program, for which I had been nominated by Alan Hunt as a representative of the Parliament of Victoria. At the college I was asked to do an analysis of an organisation's structure, and I decided to do a presentation on the Education Department to the gathering of senior management personnel who attended the course with me.

I outlined my experiences and expressed my views about the need for reform of educational administration and schooling, and related these to the Education Department's organisational chart. I explained where you had to go to get services from this organisation,

and what the interrelationships and obstacles were. I indicated the size of the organisation in terms of numbers of schools, teachers and students. The response of those listening was one of disbelief.

As a result of the interest generated by this presentation, I did a second three weeks later, responding to their request to "show us how it ought to be". I put forward a proposition for a different form of public administration from any I thought had ever existed. Certainly it was different from anything I had seen operating in the public sector in Australia. My proposal was for a concept midway between a public corporation like the State Electricity Commission of Victoria or Telecom Australia, and a department directly under a Minister. What I did was to opt for basically a departmental notion, but to insert in place of the permanent head a board consisting of a group of managers, of which the Minister was one. He was answerable to Cabinet, but shared his responsibility with a small board of the senior administrators. That concept was later to be written into the Education *White Paper* as the Corporate Management Group. In the *White Paper*, the proposed Victorian Education Council was no more than an advisory body, and the internal Corporate Management Group had a very strong role, as did the Minister. It was an executive group, which was strengthened by the inclusion of the Minister. Of course, he could always step outside and say, "Well, I'm not going to do that" if he wanted to. He always has the ultimate say — subject to Cabinet — but at least in this model his opinion-forming process was set within the context of an open discussion of the best advice available from his senior divisional administrators.

The concepts relating to the abolition of the Divisions within the Department, and to the elevation of the role of Regional Directors of Education were also in the paper that I presented to my syndicate group at the Staff College.

All of that consolidated in my mind in the years prior to my appointment to Cabinet, to the extent that in 1978–79 I sought to have a major review of education included in our Party's policy for the 1979 Victorian General Election. What I wanted was a review of the provision of education and of the Education Department's ability to provide services within the State.

As Chairman of the Parliamentary Liberal Party's Education Committee, I had taken the opportunity to develop my relationship

with Lindsay Thompson. I had a great respect for him as a person and I think he appreciated having someone else in the Parliamentary

Opposition from within the Department came to a crescendo at different points, and relations between those leading the change process and the Director-General became strained. I had the impression that he and others were uncertain of how to respond to the process. It seemed that he and some other senior Departmental officers would change from opposition to support — they would start swimming against the tide of the process, feel it get too strong, and then start swimming with it. Several times, like the afternoon in Warburton where I thought we'd have one big brawl for the whole afternoon, the Director-General went along with everything, even to the abolition of Divisions, which he had until then strongly resisted.

On other occasions, things were different. For example, in January there was the biggest brawl I had during that three-year period. To set up the Implementation Task Force, I needed office accommodation, desks, typewriters, chairs, filing cabinets. So far as I was concerned, it couldn't be done too quickly. Almost everyone was away on holidays and I had stayed back with Robin Chapman to get the project underway. I reached the stage of absolute frustration with the Department. I was told that we couldn't have the space I needed, because some other unit had been waiting for more than a year to go into it. I was told I couldn't have a particular officer, because he or she would be too busy doing something else. I couldn't get the desks or the chairs or the typewriters.

I jacked up, and early in February I arranged a special meeting one Friday afternoon with the Minister and the Director-General. I prepared my case, marched in to the meeting, and said, "Look, are we going to do this, or aren't we?". My reputation and the Government's were on the line. I said that we were either going to see this as the most important thing to do in the next twelve months, or we were not. If we were, then there would be nothing that would be too much trouble. There would be no space we could not occupy; there would be no staff that we couldn't get into the Task Force; there would be no typewriter that we couldn't have. I was not going to sit around and see something that had taken all that effort and was of such importance to education not go ahead. I think Alan was a bit surprised that my frustration had reached that level. I put it plainly that if I was not going to be backed, then I was getting out. That was the crunch decision that was being faced on that afternoon.

A lot of heat was generated in the discussion, but thereafter I got the cooperation I was demanding.

Outside Consultants and the Implementation Task Force

The next key question to be resolved was whether to engage external consultants. The eventual decision to commission PA Australia was crucial. My position was shored up by the Implementation Steering Committee and by PA. That was deliberate, and a development of the original strategy. We went into the exercise with the principle that it couldn't be an internal review: some minds from outside the Department had to be brought to bear on it. The Department appeared to me to be ossified, with too great a consciousness of "the next step in my career" and "I can't step out of line". There were a few mavericks in a positive sense, and some in a negative sense, but by and large people did do what was expected of them by the system and there was great care to protect the existing structure of the Department. I was very conscious that attempts to introduce major new initiatives had been stood on in the past, and I felt the Department was such a big organisation, and the senior officers seemed to be so powerful, that it had to be a major exercise. Just to get the thinking accepted and hammered home, we needed to be able to point to recognised and eminent administrators and educationists who were seeking the same reforms. The gamble for me was that I didn't know whether they would share my views and concerns. I didn't know what members of the Implementation Steering Committee were going to say. I didn't have a clue, as we hadn't had earlier on the Consultative Committee. The members all made important inputs. They were thinkers, and they were outsiders, and their jobs were not dependent on their views. They were free to think, and free to express views. That principle was fundamental to me. I was convinced we would not get anywhere

unless the move for reform had the backing of people who were respected by the top echelon of the Department, who at least were equals to them, preferably were even looked up to by them. We went looking for that sort of person. As well, I very much wanted to have people who had experience in private enterprise. I wanted people who had managed, or been involved in, the reform of large organisations. We got Mike Deeley, then Managing Director of Dulux Australia, and he made a major and most influential contribution, as did Ron Cullen, the Chairman of the Public Service Board of Victoria, who had had significant appropriate experience in Telecom and elsewhere.

I wanted to carry two principles through: eminent educationists from outside the Department; and sound corporate people from the private sector. I was seeing the Education Department as a major organisation that would benefit from having its procedures tested against the procedures of major organisations in the private sector, and learning from that. Many of its components, after all, are really doing very similar things.

Not everyone agreed with this view, and the relationship between the Ministers and some members of the Office of the Director-General was fractured when the decision was taken to use external consultants and not to do the task from the inside.

I didn't have difficulty getting money for the Implementation Task Force. The only difficulty was at budget estimate time, when I was trying to build it up and others were trying to cut it down. Barry Joy, Assistant Director-General (Finance), was very sympathetic to our program, having been a finance manager from private enterprise. He usually responded quickly whenever I needed funds. He always seemed to be able to identify an idle fund that could be directed towards the restructuring. He was a useful ally behind the scenes, and also up front when the question of external consultants came under discussion. Like Stewart Morton, Assistant Director-General (Facilities) — also a non-educationist from the private sector — he was prepared to speak out on principles that were commonplace in the spheres from which he came, especially when they were related to the reform of the Department.

The idea of having outside consultants was very much of that order. We wanted to bring in alongside senior Departmental and

Public Service Board officers people who had been involved in the restructuring of major organisations in the private sector as well as in the public sector. We needed the Public Service Board consultants, and Ron Cullen willingly gave them to us. He shared the view that we also needed external consultants. He had come into the Public Service Board with a reformist reputation, and he was keen to see this exercise succeed. He was prepared to commit resources to it to make sure that it did succeed. His cooperation, involvement, insight and knowledge of the process we were going through were quite significant in getting things done in the implementation stage.

The mesh of views from the Department, external consultants and Public Service Board consultants came together in the Implementation Task Force. In my view, the Implementation Task Force was the sort of group we set out to get, and it developed a tremendous working capacity. Its members believed that they were in the forefront of a really major exercise that was worth being part of, and they had a lot of pride in being selected and a feeling of "I'm glad I spent this time on this exercise". They really did do the job that was asked of them. The key to it was that they saw themselves answering to the Executive of the Implementation Task Force and to the Steering Committee, beyond that to me and Alan Hunt — not to the Department. That was a key strategy that was very important at a critical stage of the exercise.

PA Australia were commissioned as management consultants to assist in the implementation of the *White Paper*. Their designated consultants, Chris Geckeler and Arthur Rendell, were equally supportive of me, and very helpful in identifying problems and assisting me to overcome them. I think the Implementation Task Force was a tremendous group of people. In March 1981 we were going through the names of officers for appointment to the Task Force. PA's advice was to ensure that the people we put into it were the people who were likely to be the organisation's leaders in the future. They said we should put in our best people and not those who were available simply because the best people were too busy doing their normal job. "Deliberately take people out of their normal job; pick your best people". It's like putting your hand on them and saying, "Your career is on the way up, and yours isn't," and that is how it came to be seen. "Why wasn't I included?" was

a frequent question I got soon after the team was announced. There was, however, a tendency by some senior officers to try to get onto it either friends, or those who would be ineffectual.

My closest advisors were suggesting people like Kevin Collins, then Director of the Primary Education Division, who had not been involved in the process up until then. I recall the Director-General saying, "We can't afford to have Primary Division without a leader for twelve months," which for me was enough of a reason to have him. So I concluded from that that Dr Shears had some regard for him. It really did mean we had the people who were likely to be the leaders in the future. There were others like that, such as those who were the most effective Regional Directors of Education. I remember very early in the process meeting with all the Regional Directors confidentially after one of their regular meetings. I went because I was conscious that, in view of the reforms we were promoting, they should be a good source of support. The strengthening of the role of Regional Directors — who until then had had virtually no power at all and were constantly being over-ridden by the directors of the teaching divisions — was very attractive to them. Consequently they wanted my assurance on that and on a number of other issues. They wanted to hear it from me, and not as they had been getting it, through the system. We talked these matters over for a couple of hours, and I went away very satisfied. I think they were, too. In fact I felt that a considerable bond was formed between us at that meeting, which continued throughout my term as Minister. I always felt that I had their support, not only for the restructuring of the Department.

The question of who would lead the Task Force became critical when its Director, Robin Chapman, got sick. The whole project had been a great strain and Robin suffered personally in the process. I remember being conscious of my endeavours to ensure that he didn't suffer professionally for the leading role he had taken up to that time. Some pretty dreadful things were said about him, and he was feeling the effect. It very much contributed to his health problem. Consequently at the end of July, we decided to make Kevin Collins the Coordinator of the Implementation Task Force. Once he'd set his mind that this was his job for the next few months, he was brilliant. He was in a more secure position to take the kicks. He played

a vital role, was physically fit and alert. We took the precaution of not leaving him on his own. Robin Chapman remained as a member of the Executive of the Task Force. Jeff Dunstan, then Regional Director of Education in the North-Eastern Region, and Noel Watkins, then Assistant Director of Technical Education, were added to the Executive.

Kevin Collins was respected. I think his appointment helped to swing the tide. People began to say, "If you can take the Director of Primary Education and give him the role of Implementation Task Force leader, then something is really going to happen". It worked partly through his reputation as a person who got things done, and partly because some people in the Department saw Kevin as a key future leader.

From the moment of setting up the Implementation Task Force in February, a great change of mood took place in the upper echelons of the Department. It was all plain sailing from that point. The February meeting with Lawrie Shears and Alan Hunt, and the expansion of the Implementation Task Force in April, set the scene. From then the Departmental officers on the Implementation Task Force were answering not to the Director-General through the Departmental structure, but through the Implementation Task Force leadership to me as the Minister responsible.

The Corporate Management Group that was proposed in the *White Paper* was established immediately the *White Paper* was presented in Parliament. I was staggered that Alan Hunt had agreed instantly to implement the Corporate Management Group at that early stage, and I argued against it to Alan because I sensed that there was something behind it. I was right, but too late. Sure enough, the establishment of the Corporate Management Group became the last ditch stand of the old guard, the means whereby they tried to influence everything that happened thereafter. There was an attempt to make it a review mechanism for everything the Implementation Task Force did. I had to establish very early in the piece that all matters related to the implementation of the *White Paper* would be dealt with by the Implementation Task Force and the Implementation Steering Committee by the process which we had set up, and not by the Corporate Management Group. Alan Hunt would have negotiated, in his normal consensual fashion,

rather than stop anyone raising implementation issues in the Corporate Management Group. However, I resisted, and insisted that it be recognised that implementation of the *White Paper* was my role with the Implementation Steering Committee and the Implementation Task Force. It was left a bit vague, and there were some initial skirmishes on implementation matters. After a while they stopped bringing them into the Corporate Management Group.

Regional boundaries was another issue that was very important to me because I had done some work earlier on this for Lindsay Thompson, Cabinet and the State Coordination Council. It was connected with the coordination and delivery of people-related services by Government. I was disturbed to find the Education Department setting up different regional boundaries from those of other Departments. Others didn't see this as a problem, and I often felt I was on my own in arguing for a client perspective in the administration of service delivery. But I was very keen to ensure that when we did determine our Regions, we at least did them in groups of municipalities that coincided with other Government Department boundaries. That is in fact how we got our twelve Regions. I had previously got Cabinet to agree to eighteen Regions, and there was a view supported by PA that that would result in an inappropriate size of management unit, particularly in rural areas. It was argued that we needed somewhat larger units there, and this was achieved by creating amalgams of two of the existing Government Regions in country Victoria and by amalgamating one pair in the metropolitan area.

Alan Hunt played a major role in Cabinet, in the Party and often in the Press. He played such a major role there that he partially countered the impression that I was really doing it — an impression that was becoming a bit embarrassing as a result of Robert Fordham (then shadow Minister of Education) and Milton Whiting (National Party spokesman on Education) playing on it in the Parliament. I was quite happy for him to play that role because I was new to Cabinet and I saw Alan's backing and leadership strategically as the best way of getting it through. Whenever he took the lead in Cabinet and in the Party, I would back him up on particular issues, but I would always suggest that he lead with it. In Parliament, we would always do things jointly, as Robert Fordham often requested that

documents and reports be tabled in the Assembly — where he sat — as well as in the Council where Alan sat. This gave him the opportunity to speak on them. I was very happy about that because it also gave me the opportunity to be more publicly involved. We would try to time our presentations for the same time of the day. It was almost as if by standing in Queen's Hall, located between the two Chambers, you could hear it in stereo. That was a totally new approach. I am sure it reflected Alan's determination to acknowledge my role. He is a big man, a generous man, and he was conscious that while he had the leadership role, that could give the impression that it was his project alone. To a minor degree it did in some sections of the Press, but everyone involved knew who was primarily responsible.

Support and Disappointment

There was a general feeling of support for the process — there was no great controversy: it was seen as a significant and urgent development. Basically the Opposition in Parliament did support it, and we believed that as they were generally going to say favourable things, we should give them the opportunity. It was very hard to get a debate going at all about the issues. The education press didn't help the process. The *Age* education editor had an incredibly shallow and partisan view of the issues, and played the project down until the change of Government, at which time he became a major feature writer on the subject. There seemed to be no opposing argument in the press; there were no attacks to which we could respond. So you would have to conclude that there was a fair degree of consensus.

The greatest disappointment in that respect was the partisanship of the three teachers' unions, and of the Victorian Federation of State School Parents' Clubs (VFSSPC) and the Victorian Council of School Organisations (VICCSO). They refused to accept at face value what we were trying to do. I was very keen that we should

keep the process moving and that we should not give in to any delaying tactics, such as extending the time for responses at various stages. Whenever I detected people who were out to undermine what we were doing, my obstinacy would reveal itself. There was an issue about the membership of the Implementation Task Force by VICCSO and the VFSSPC. I saw that as obstructionist. I couldn't see any good coming out of it. Alan Hunt wanted to go along with it, and entered into an agreement with them without consulting me — as a result I was very angry with him. However I ensured that they didn't get on the Implementation Task Force full-time. My view was that the Task Force couldn't be slowed down by having a couple of people on it who had not shown good faith in what we were doing. If we let the parent and school council groups on, then the teachers' unions would also have wanted to be on — and they had boycotted the process all along. We set up a consultative procedure and the teachers' unions wouldn't be in that. I saw the best way of getting the thing on the road was to resist their demands. We had set up a procedure that they could become involved in (through the Organisations Reference Group). I would not go along with demands that looked like attempts to divert or slow up the process. It was not surprising, then, that I attracted their wrath, as a result. The teachers' unions turned out to be far more conservative than I had first thought possible, and had no real contribution to make. It seemed to me that they were not thinkers, administrators or even educators, and consequently were not really interested in substantial reform of structures, or even in educational issues, and they therefore resorted to ridiculing what we were doing. Their line was that we were just setting up another big business corporation, which had nothing to do with schools. My view was that we had to get the new departmental structure and the regional organisation in place first, before the next wave of reform began, and that is in fact the way it has happened.

The change in the title and role of "Inspectors" was an important achievement. I recall how unpopular the concept of an inspector in schools was, and I remember through the 1960s teachers striking over their activities. Yet it was a simple thing to do away with them in the end, in the context of other reforms. We did this by changing their name, then expanding their role, and making them operate in a larger sphere.

I had no objection to a process of assessment of teachers, but it had to become more humane and more trusted. The Inspectors' label was a significant factor in how teachers related to them. So the way to overcome that was to broaden their role, to give them more to do than just inspect — so that they could come to be seen as educationists in their own areas. That is, we sought to build around them other functions that changed their relationship to teachers so that they became more supportive of the teacher's role.

The inspection thing was just another example of the ossification of the Department, a lack of ability to engage in lateral thinking. This change came out of that period. We didn't set out to do it, but when we were doing a lot of other things, it was easy to take that step. The only battle really revolved around the title. Lawrie Shears argued for the retention of the title "Inspector", because the Inspectors had held a ballot and favoured that. In a lot of the debates, like this one, it was Lawrie Shears and myself arguing and Alan Hunt sitting there like the judge — a tribunal of one making up his mind which way it would go. I won most of them and lost some.

Appointments to the New Structure

Our objective after the tabling of the PA Report was to get it implemented. Consequently, the making of the first and most senior appointments under the new structure became the next critical step.

I argued that the position of Director-General should be advertised and the position given to the best applicant, irrespective of who applied. I did not have a particular person in mind and neither did Alan Hunt, but we felt it should be widely advertised and that we should get the best possible person. PA went head-hunting for us, but feedback indicated that people weren't applying because the position of Lawrie Shears in the new structure hadn't been resolved. It was put to us that there was a boycott by the education community, because we hadn't resolved the situation. My view was, so what? I found that hard to believe, and was prepared to give it

to the best qualified person who had applied, which in the end was what we did. We had hoped that a particular senior administrator from New Zealand might apply. It seemed to us that their administrative system was far ahead of any in Australian education. But in the end, no new applicants were gained by creating the Coordinator-General's position, into which Lawrie Shears moved. Indeed, I believe that some were lost. I did not necessarily accept that it had to be a top academic educationist, but I wanted a top-class administrator whom we could then surround with good educationists. In the eventual appointment of Norman Curry we were fortunate to get both.

I don't think Alan Hunt or I had views of the particular people we wanted in the top structure. We had views about who we didn't want. Alan was very conscious that we shouldn't be too involved in the selection process, or seem to be too involved. We established a selection committee, including Arthur Rendell from PA, Ken McKinnon (Vice-Chancellor of the University of Wollongong) and Ron Cullen, for the selection of the Director-General and the three other top Governor in Council appointments. We left totally to that group the creation of a short list. We were told what the short list was, and we asked them to recommend an appointee to us. We had really gone well beyond the normal Cabinet process by inviting this outside group to recommend a person. There was a formal Cabinet subcommittee, as the usual method required, but it consisted of Lindsay Thompson, Alan Hunt and me. In every instance we considered the nomination, and in every instance we accepted the recommendation of the Selection Committee.

The new Director-General was added to the Committee for appointments subsequent to his own, and the next three appointed were added for the appointments of Regional Directors. They invited the Ministers to express a view about the appointments. I would have argued for some people as Regional Directors of Education who didn't get up, and against some who did. We did express points of view and they weren't always followed, so the extent to which we were influential in the process was minimal. I can't say that I've influenced one appointment in those top sixteen positions, and Alan Hunt would say the same. I was invited to express a point of view and took the opportunity, but the points of view were only followed where they concurred with others. I

suppose they were useful to the Committee in that they provided a confirmation of their view. The last few Regional Director positions were an issue, and I would have liked some younger people to get them.

We were deliberately devolving substantial powers to Regions. There was more executive power and responsibility in one of these positions than in the whole Ministry for the Arts, the Ministry of Consumer Affairs, or the Ministry of Employment and Training. There would be permanent heads of more than ten Government Departments who are appointed by the Governor in Council that have less responsibility than Regional Directors. They stand alone, answerable to the people through the Government as much as to the Department through the Director-General. We wanted them to feel that sense of security and permanence. My view was that Governor in Council appointment was the best way of giving them security and power. It was attacked as a politicisation of the appointments process, but in fact none of those appointments went to Cabinet other than in a block. The Regional Director appointments were thus appointments by the Department, even though the structure was there to do it otherwise. But they cannot be removed other than by the Government and that gives them security from their superior Departmental officers, and accountability to the Minister, the Cabinet and Parliament.

The concept intended was that, just as a School Council would have a major involvement in the appointment of the Principal, so the Regional Education Council should have a major involvement in the Regional Director's appointment, but ensuring that the appointment was ultimately by the Governor in Council — a compromise between a local and a central system. Government has an on-going responsibility to provide services to the people through the Parliament. Therefore the Government has to be answerable to the people through the Parliament for what it is doing, and one of the main ways it can do that is through its control over appointments to key positions. I don't believe that is something Government should hand over unless there is going to be a completely regional system with no central administrative role at all. I didn't ever see it going that far, not while maintaining central employment and central specialist services, and a central role in funding and building design and construction.

Conclusion

The *White Paper* was a consensus of the education community at the time. No great controversies arose from its publication. The Australian Labor Party has not turned the clock back since it came to power in April 1982. It has continued what we started, and has extended it: Robert Fordham, now the Minister of Education, has continued to be an agent of reform (perhaps better than we would have been) — because of the consensus on educational issues in the *White Paper*. Through the various stages of the change process that we initiated and managed, it became clear to me that Robert, then the shadow Minister of Education in the Victorian Parliament, supported our general direction of change. Consequently, the proposals he presented in the four Ministerial Papers in mid-1983 are not a surprise to me, although the length of time it has taken him to act is.

The Department was a centralised organisation, so we had to make it a regional organisation and then we would be halfway there. My view was that we should have had a plan to devolve responsibility ultimately to school councils, but that Regions needed to be set up first as the basis from which to initiate the next wave of change towards schools. I thought that was the surest way to go, and to a large degree the new Labor Government has endorsed and implemented that next wave of change we eventually wanted.